



# **CITY OF MEMPHIS**

## **FINANCE DIVISION**

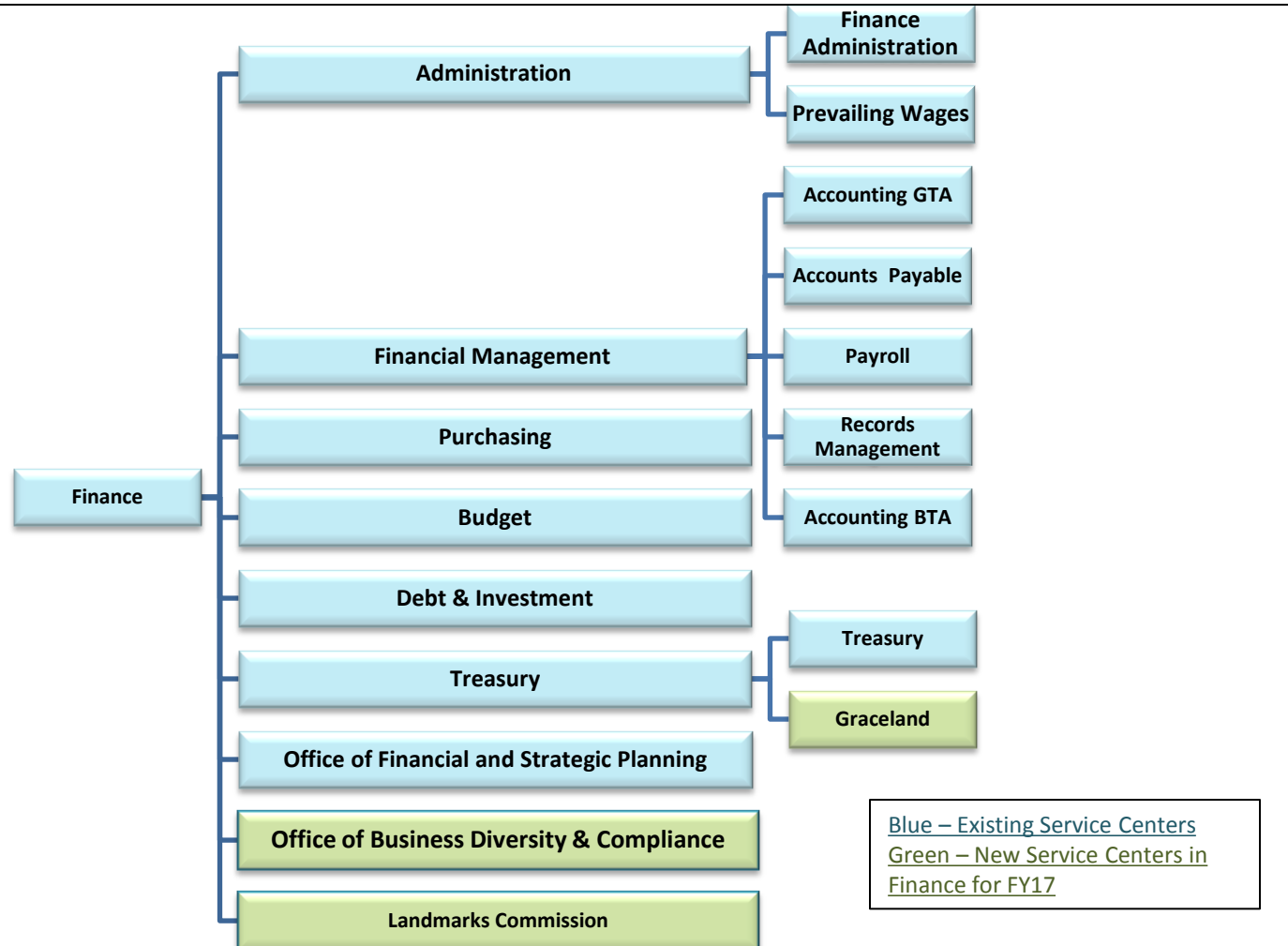
**FY 2017 O&M Budget Request**  
**Brian Collins, Chief Financial Officer**  
**Fund: General Fund**

# Finance Division

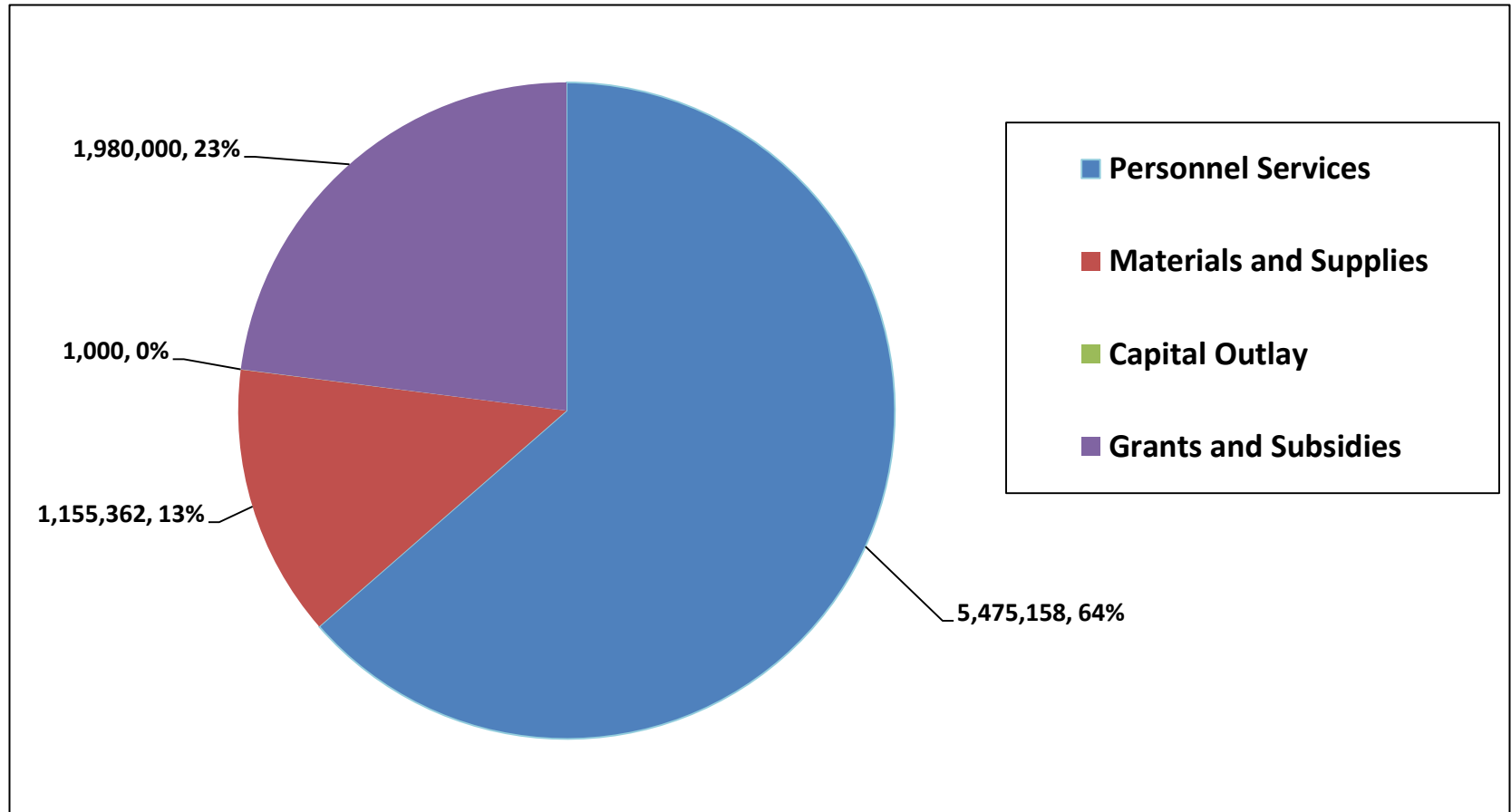
## **Mission Statement:**

To provide fiscal leadership and deliver superior financial performance through prudent financial management of City's financial affairs.

# Organization Chart

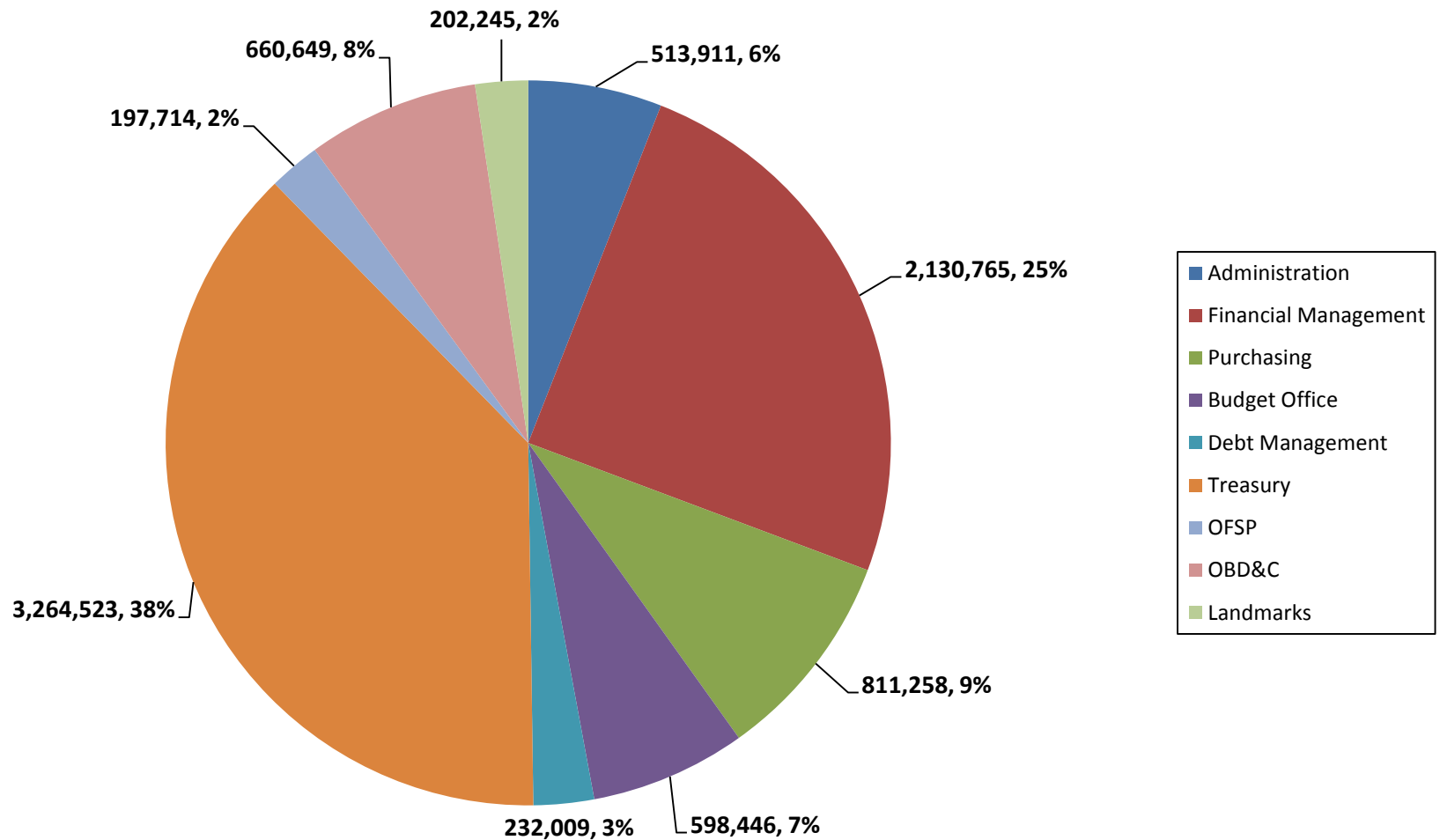


# Expenditures by Category



**Total Division Gross Expenditures \$8,611,520**

# Expenditure Budget by Program Level



**Total Division Gross Expenditures \$8,611,520**

# Overview of the New Service Delivery – Initiatives in the FY17 Budget

## **Staffing Changes for Existing Finance Division (Budget Neutral):**

- Eliminated two high salary supervisory/managerial accounting positions
- Added three mid-level accounting positions
- Eliminated two positions in Treasury and moved those resources to the Budget Office and Debt Management

## **Structural Changes :**

- The Office of Business Diversity and Compliance (OBDC) was created by merging Contract Compliance and The Memphis Office of Resources & Enterprise (M.O.R.E) formerly housed in Executive Division
  - 5 positions moved from Executive
  - 2 positions proposed to enhance goals of the (OBDC)
- Landmarks Commission moved from Grants and Agencies to Finance
  - 3 positions in Landmarks moved from Grants and Agencies
- Collection and pass through of Graceland Surcharge

# Bridge Analysis (Existing Finance Division)

<b>FY16 Adopted Budget (Finance Expenditures - General Fund)</b>		<b>\$ 5,407,266</b>
<b>Personnel Services</b>		
<b><u>Increases</u></b>		
Retirement Benefits	\$ 120,000	Five pending retirements
Expense Recovery	90,000	Reduction of expense recovery from other funds
Pension ARC Funding	56,275	Administration initiative to meet funding requirements
Salaries	7,178	Full implementation of C.O.L.A and position adjustments
<b><u>Decreases</u></b>		
Other Personnel Costs	(35,048)	Various other personnel costs
Part-Time/Temporary	(16,000)	Staffing need reduction
<b>Net Increase/(Decrease) in Personnel Expenses</b>	<b>222,405</b>	
<b>Materials &amp; Supplies</b>		
<b><u>Increases</u></b>		
Professional Services	\$ 146,957	Technical support due to various ongoing and proposed changes for Treasury
Printing - Outside	21,358	
Insurance	11,562	As instructed by City Attorney
<b><u>Decreases</u></b>		
Data/Word Process Software	(15,202)	Decreased as a result of GIS cost budgeted in IT Division for FY17
Other Materials & Supplies Costs	(25,721)	Various other reductions under 10K
<b>Net Increase/(Decrease) in Materials and Supplies Expenses</b>	<b>138,954</b>	
<b>Net Increase/(Decrease) in Finance Division Operational Budget (without structural changes proposed in FY17)</b>	<b>361,359</b>	
<b>FY17 Finance Division Proposed Budget without structural changes</b>	<b>\$ 5,768,625</b>	

# Bridge Analysis (Expanded Finance Division)

<b>Addition to Division and Structural changes</b>		Graceland and two service centers, one from Executive and the other from Grants & Agencies
1) Graceland Pass Through	\$ 1,980,000	Offset by 2 Million in additional revenues
2) Office of Business Diversity & Development	660,649	Transferred from Executive Division
3) Landmarks Commission	202,245	Transferred from Grants & Agencies
<b>Net Increase/(Decrease) from the Structural Changes</b>	<b>2,842,894</b>	
<b>FY17 Proposed Budget (Structural Changes Total - General Fund)</b>	<b>2,842,894</b>	
<b><u>Revenue</u></b>		
Graceland Surcharge	\$ 2,000,000	
<b>Finance Division Net Increase/(Decrease) in Revenue</b>	<b>2,000,000</b>	
<b>Net Increase/(Decrease) in Finance Division Operational Budget (For Structural Changes Proposed in FY17)</b>	<b>842,894</b>	<b><u>NET ZERO IMPACT TO CITY</u></b>
<b>Net Expenditures for FY17 Finance Division Proposed Budget</b>	<b>\$ 6,601,519</b>	



# Program Comparative Spending

	FY16 Adopted	FY17 Request	Increase/ (Decrease)
<b><u>Revenues:</u></b>			
Financial Management	10,000	10,000	-
Treasury	-	2,000,000	2,000,000
<b>Total Revenues</b>	10,000	2,010,000	2,000,000
<b><u>Expenditures:</u></b>			
Administration	489,522	513,911	24,389
Financial Management	1,798,073	2,130,765	332,692
Purchasing	803,675	811,258	7,583
Budget Office	525,792	598,446	72,654
Debt Management	177,666	232,009	54,343
Treasury	1,344,507	3,264,523	1,920,016
OFSP – Strategic Planning	268,032	197,714	(70,318)
EBO & Development Prog.	-	660,649	660,649
Landmarks	-	202,245	202,245
<b>Total Expenditures</b>	5,407,267	8,611,520	3,204,253
<b>Net Expenditures</b>	5,397,267	6,601,520	1,204,253

# **Cost Trends And Other Detailed Information**

# 5-Year Expenditure Trend Report – Division Level

	FY13	FY14	FY15	FY16	FY16	FY16	FY17
	Year Total	Year Total	Year Total	Mar YTD	Total Year	Year Total	Year Total
	Actual	Actual	Actual	Actual	Forecast	Budget	Request
	Final	Final	Final			Adopted	Stage 2
<b>500 Personnel Services</b>							
051101 Full-Time Salaries	3,098,923	3,105,532	3,102,893	2,313,424	3,239,880	4,075,363	4,617,498
051102 Holiday Salary Full Time	177,022	179,822	163,628	132,611	201,657	0	0
051103 Vacation Leave	179,578	189,038	177,347	132,639	186,553	0	0
051104 Bonus Leave	26,080	27,919	32,697	20,451	29,816	0	0
051105 Sick Leave	99,037	79,150	89,472	75,499	112,779	0	0
051202 Overtime	59,259	97,258	37,118	7,392	15,535	11,500	11,500
051206 Out of Rank Pay	6,301	8,151	7,338	4,678	5,007	0	0
051212 Longevity Pay	37	48	48	48	48	0	0
051218 Retirement Benefits	53,389	32,955	66,932	47,369	2,462	30,000	150,000
051302 Pension	201,087	205,594	205,098	155,519	216,685	207,685	236,222
051304 Social Security	10,386	8,541	11,320	11,519	14,521	0	0
051307 Pension ARC Funding	0	0	281,768	168,540	337,094	337,094	453,467
051308 Group Life Insurance	10,249	9,857	9,790	7,203	10,537	12,085	13,411
051310 Unemployment	12,950	10,295	10,200	7,370	7,370	7,370	5,840
051314 Medicare	50,455	51,869	52,142	39,652	54,378	61,456	63,420
051315 Long Term Disability	10,749	10,507	10,641	7,469	11,038	11,050	12,535
051320 Health Insurance - Basic	2,341	6,264	8,806	11,682	19,160	4,416	26,433
051322 Health Insurance - Premier	373,802	335,520	378,891	278,768	398,994	432,563	455,724
051323 Other Post Employment Benefits	55,542	27,967	0	0	0	56,925	20,262
051402 Salaries - Part Time/Temporary	173,110	170,279	180,834	185,785	234,217	251,900	358,177
051501 On the Job Injury	3,123	5,183	4,599	2,307	2,307	4,260	4,260
051601 Payroll Reserve	24,212	11,887	16,653	-52,752	0	0	0
051901 Attrition	0	0	0	0	0	-30,000	-85,263
056199 Expense Recovery - Personnel	-866,040	-868,608	-839,608	-669,957	-930,132	-938,069	-848,069
051326 Benefits Adjustments	0	0	0	0	0	-35,158	-20,260
<b>Total 500 Personnel Services</b>	<b>3,761,592</b>	<b>3,705,027</b>	<b>4,008,608</b>	<b>2,887,215</b>	<b>4,169,906</b>	<b>4,500,439</b>	<b>5,475,156</b>

# 5-Year Expenditure Trend Report – Division Level *Continued*

	FY13	FY14	FY15	FY16	FY16	FY16	FY17
	Year Total	Year Total	Year Total	Mar YTD	Total Year	Year Total	Year Total
	Actual	Actual	Actual	Actual	Forecast	Budget	Request
	Final	Final	Final			Adopted	Stage 2
<b>505 Materials &amp; Supplies</b>							
052106 City Hall Postage	0	0	0	0	0	100	0
052116 City Shop Charges	0	0	0	0	0	1,430	1,430
052124 City Shop Fuel	268	0	0	0	0	425	382
052204 City Computer Svc Equipment	5,349	8,290	9,013	1,385	3,650	22,357	21,750
052206 Data/Word Processing Equipment	0	345	0	0	0	0	200
052208 Data/Word Process Software	12,811	13,644	0	13,810	13,810	15,202	0
052209 Pers Computer Software	0	0	14,177	386	450	3,620	2,500
052210 City Telephone/Communications	17,662	14,196	17,059	9,559	13,600	13,462	19,280
052302 Printing - Outside	62,904	93,730	94,724	82,586	114,000	113,117	135,275
052304 Supplies - Outside	67,210	69,747	51,684	40,157	56,487	62,614	69,620
052305 Food Expense	274	531	794	112	112	0	0
052310 Clothing	0	0	0	260	0	0	0
052318 Drafting/Photo Supplies	0	0	0	0	0	0	250
052324 Outside Postage	137,031	137,044	100,173	8,347	103,412	137,263	136,188
052328 Lumber & Wood Products	0	0	0	0	0	0	0
052342 Materials and Supplies	2,299	1,229	1,531	739	740	8,972	21,993
052343 Miscellaneous Expense	3,028	2,232	2,372	3,447	5,184	7,400	6,575
052410 Outside Equipment Repair/Maintenance	2,220	2,604	2,927	1,272	2,100	8,200	3,250
052504 Legal Services/Court Cost	-698	0	0	0	0	0	0
052512 Advertising/Publication	163,583	113,383	57,975	42,955	57,834	61,886	64,300
052514 Outside Phone/Communications	200	0	0	0	400	425	0
052520 Security	683	491	896	962	3,856	4,129	4,000
052526 Seminars/Training/Education	24,477	12,574	18,614	10,950	22,766	48,605	57,800
052528 Misc Professional Services	367,502	556,317	604,405	545,395	730,450	444,743	642,800
052531 Rewards and Recognition	0	0	0	442	442	0	0
052610 Travel Expense	8,465	6,979	11,256	15,199	19,525	24,100	33,000

# 5-Year Expenditure Trend Report – Division Level *Continued*

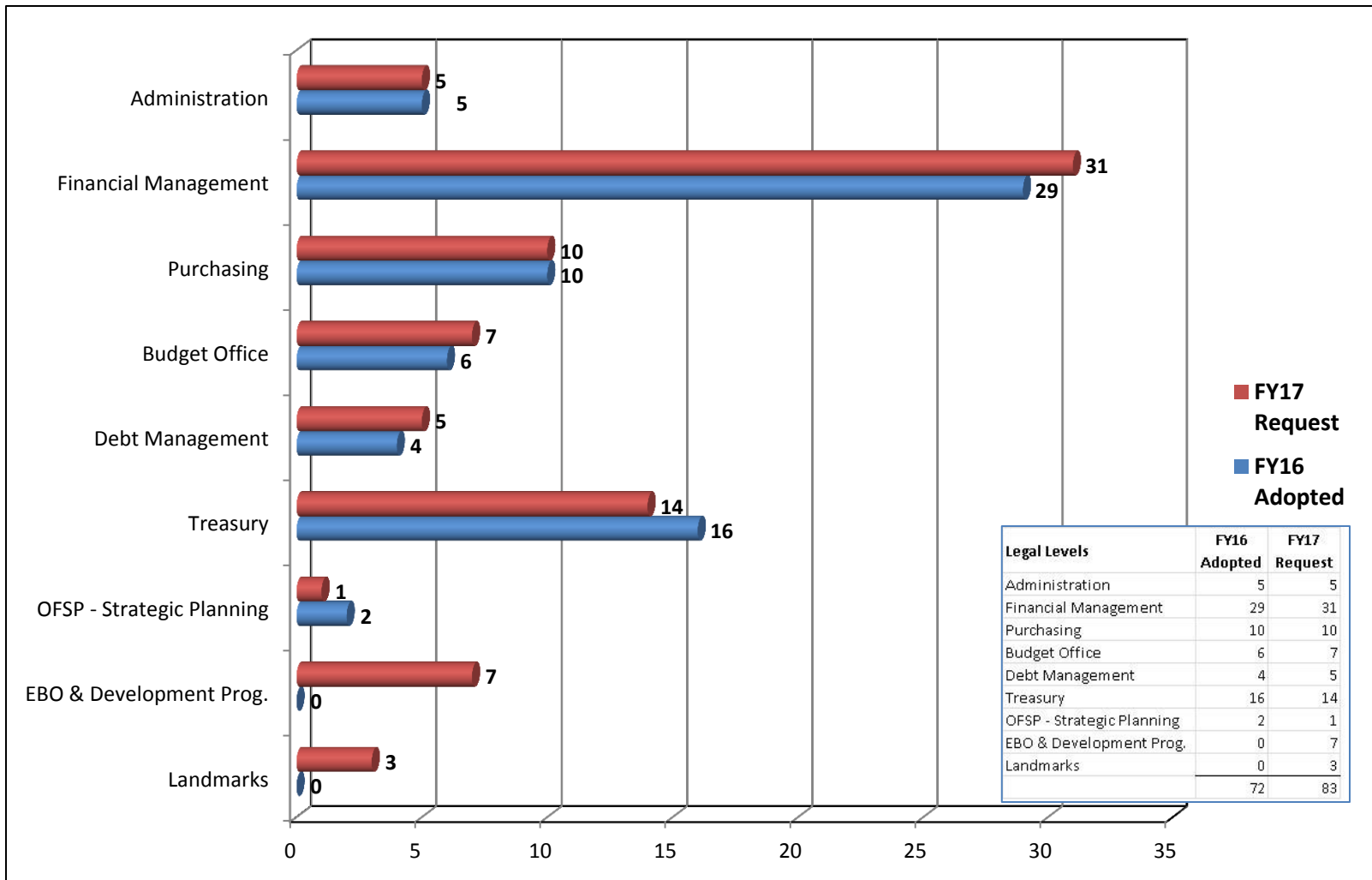
	FY13	FY14	FY15	FY16	FY16	FY16	FY17
	Year Total	Year Total	Year Total	Mar YTD	Total Year	Year Total	Year Total
	Actual	Actual	Actual	Actual	Forecast	Budget	Request
	Final	Final	Final			Adopted	Stage 2
052611 Unreported Travel	14,279	8,430	-3,172	150	0	800	800
052730 Mileage	0	0	0	0	0	0	1,000
052521 Photography	452	0	0	0	0	0	150
052525 Total Quality Management	1,095	191	0	0	0	0	0
052920 Insurance	1,091	3,925	4,284	0	432	432	11,994
052921 Claims	65	0	0	0	0	0	0
052923 Lawsuits	0	3,862	0	0	0	1,000	1,000
052930 Dues/Memberships/Periodicals	6,888	3,262	4,818	6,955	5,083	7,520	8,500
052950 Misc Services and Charges	2,513	1,286	1,213	2,790	3,700	7,525	3,325
052984 Hotel	0	2,789	0	0	0	1,000	0
057454 Catering	1,456	0	210	0	0	1,500	0
056299 Expense Recovery - M & S	-107,582	-113,362	-64,076	-55,013	-92,000	-92,000	-92,000
<b>Total 505 Materials &amp; Supplies</b>	<b>795,526</b>	<b>943,717</b>	<b>930,875</b>	<b>732,845</b>	<b>1,066,033</b>	<b>905,827</b>	<b>1,155,362</b>
053102 Furniture/Furnishings	0	0	1,951	0	0	1,000	1,000
<b>FSC510 510 Capital Outlay</b>	<b>0</b>	<b>0</b>	<b>1,951</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>
061165 RBC Training/Certification Program	0	0	0	79	79	0	0
061172 EDGE	0	0	158,959	1,329,165	1,992,736	0	1,980,000
<b>FSC515 515 Grants and Subsidies</b>	<b>0</b>	<b>0</b>	<b>158,959</b>	<b>1,329,244</b>	<b>1,992,815</b>	<b>0</b>	<b>1,980,000</b>
<b>Total Expenditures</b>	<b>4,557,118</b>	<b>4,648,744</b>	<b>5,100,393</b>	<b>4,949,305</b>	<b>7,228,754</b>	<b>5,407,266</b>	<b>8,611,518</b>

# 5-Year Expenditure Trend Report – Division Level *Continued*

	FY13 Year Total Actual Final	FY14 Year Total Actual Final	FY15 Year Total Actual Final	FY16 Mar YTD Actual	FY16 Total Year Forecast	FY16 Year Total Budget Adopted	FY17 Year Total Request Stage 2
<b>Revenue:</b>							
FSS065 065 Sales Taxes - General	0	0	158,959	1,409,943	1,992,736	0	1,980,000
<b>FSC430 430 Local Taxes</b>	<b>0</b>	<b>0</b>	<b>158,959</b>	<b>1,409,943</b>	<b>1,992,736</b>	<b>0</b>	<b>1,980,000</b>
FSS150 150 City Court Fines	0	0	-27,000	0	0	0	0
<b>FSC445 445 Fines and Forfeitures</b>	<b>0</b>	<b>0</b>	<b>-27,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
FSS220 220 Other - Misc	4,775	34,006	4,600	14,993	36,472	10,000	30,000
<b>FSC475 475 Other Revenues</b>	<b>4,775</b>	<b>34,006</b>	<b>4,600</b>	<b>14,993</b>	<b>36,472</b>	<b>10,000</b>	<b>30,000</b>
070203 Oper Tfr In - Midtown Corridor	0	142,000	0	0	0	0	0
<b>FSC480 480 Transfers In</b>	<b>0</b>	<b>142,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Revenues</b>	<b>4,775</b>	<b>176,006</b>	<b>136,559</b>	<b>1,424,936</b>	<b>2,029,208</b>	<b>10,000</b>	<b>2,010,000</b>
<b>Net Operations</b>	<b>(4,552,343)</b>	<b>(4,472,738)</b>	<b>(4,963,834)</b>	<b>(3,524,369)</b>	<b>(5,199,547)</b>	<b>(5,397,266)</b>	<b>(6,601,518)</b>

# **Personnel Comparative Information**

# Authorized Complement Comparison





# Vendor Detail for Professional Services

VENDORS	AMOUNT	COMMENTS
ROBERT HALF INTERNATIONAL	155,000	Technical Support for Treasury's move to County
LOOMIS ARMORED US, LLC.	96,000	Deliveries To Bank for Treasury
UNIVERSITY OF MEMPHIS	95,000	Revenue Projection
VARIOUS MWBE	51,000	MWBE business development
METROPOLITAN ANTI-CRIME AGENCY	50,000	Vendor for Purchasing
FINITE MATTERS LTD.	45,000	Publishing of Proposed and Adopted Budget Book
THE MASTER'S TOUCH LLC.	40,000	Printing & Mailing Contract for Treasury
SPIKES CAVELL ANALYTIC INC	35,000	Data Analysis for Purchasing
MELISSA'S PROFESSIONAL OFFICE SERVICES	30,000	Technical Office Support for Purchasing
DYNAMIC SECURITY INC.	15,000	Purchasing/Finance
VISUAL PERFECTION AND TOWING, INC.	15,000	For City Auctions
ALL OTHER VENDORS FINANCE DIVISION	7,700	Various vendors less than 2%
OTHER VENDORS FOR TREASURY	3,600	Couriers, Maintenance and Vault Security
OTHER FIN. ACCT. RELATED VENDORS	2,500	Maintenance and Courier
TRI-TECH SOFTWARE SYSTEMS	2,000	Related to Records Management
<b>TOTAL</b>	<b>642,800</b>	

# Equal Business Opportunity MWBE Initiatives

The Finance Division now includes the Equal Business Opportunity & Development Program. This is perhaps more commonly known as the Minority and Women Business Enterprise Participation Program (M/WBE). This division is committed to aggressively facilitating the City's goals for public and private sector businesses procurement opportunities that reflect our diverse community.

- Finance Division's procurement is broader than the vendors represented on page 17. Current procurement M/WBE strategies from other finance areas of influence are as follows:
  - Auditing - Spend , \$300k – 100% MWBE
  - Pension Investment Managers - \$2Billion under management – 26% MWBE
  - Debt Management Spend \$869K - MWBE \$206K or 24%
    1. Financial Advisers
    2. Bond Counsel
    3. Disclosure Counsel

# **Debt Service Fund**

# Debt Service Fund-Revenues

Category	FY 2015 Actual	FY 2016 Adopted	FY 2016 Forecast	FY 2017 Budget
<b>Revenues and Other Sources</b>				
Current Property Taxes	\$ 112,819,696	\$ 113,024,150	\$ 115,000,000	\$ 115,900,000
Sale of Delinquent Property Tax	4,268,576	3,000,000	2,600,000	3,500,000
Delinquent Property Taxes	2,792,696	2,300,000	1,500,000	2,400,000
In Lieu Of Taxes-Contractual	1,816,551	1,964,678	1,964,678	1,964,678
Local Option Sales Tax	7,802,856	7,488,000	8,150,058	8,200,000
Tourism Development Zone	12,073,534	13,750,000	16,818,431	23,500,000
State Gas - Motor Fuel Taxes	-	-	1,768,300	1,768,300
Use of Money	169,501	125,000	138,000	223,000
Federal Grants	2,107,986	2,337,834	2,337,834	2,355,769
Other	4,009,997	2,622,903	2,596,731	2,323,700
Transfers In - GF	4,822,170	5,360,125	5,166,504	5,360,125
Transfers In - State Street Aid	1,768,300	1,768,300	(294,717)	-
Transfers In - Solid Waste	3,454,807	5,055,687	5,055,687	4,553,723
Transfers In - Misc. Grants	192,596	-	-	194,496
Transfer In - Hotel-Motel Tax	1,187,853	1,186,252	1,365,752	1,366,517
Transfer In - New Arena Fund	-	-	3,693,896	-
Transfers In - Stormwater	1,893,502	1,893,502	1,893,502	3,787,004
Issuance of Refunding Debt	224,138,661	-	75,520,000	-
Contribution from Restricted Pyramid Fund Bal:	3,238,841	1,686,334	-	-
Contribution from Restricted Ballpark Fund Bal:	-	-	-	39,881
Contribution from Committed Fund Balance	-	-	-	-
<b>Total Revenues and Other Sources</b>	<b>\$ 388,558,124</b>	<b>\$ 163,562,765</b>	<b>\$ 245,274,656</b>	<b>\$ 177,437,192</b>

# Debt Service Fund-Expenditures

Category	FY 2015 Actual	FY 2016 Adopted	FY 2016 Forecast	FY 2017 Budget
<b>Expenditures and Other Uses</b>				
Principal - Serial Bonds, Notes and Leases	\$ 89,714,924	\$ 93,984,794	\$ 93,770,508	\$ 94,712,122
Interest - Serial Bonds, Notes and Leases	67,464,925	66,005,366	65,081,202	65,806,403
Liquidity/Remarketing Fees	674,405	742,500	742,500	742,500
Other (M&S & COI & Svrc. Chrg.)	336,963	501,445	503,945	511,390
Retirement of Refunded Debt	222,170,890	-	75,000,000	-
Bond Sale Expenses	2,736,857	-	520,000	-
Transfers Out	-	-	4,269,307	500,000
Contribution to Restricted Pyramid Fund Balanc	-	-	817,186	7,978,482
Contribution to Restricted Ballpark Fund Balanc	55,913	-	210,503	-
Contribution to Committed Fund Balance	5,403,248	2,328,660	4,359,505	7,186,296
<b>Total Expenditures and Other Uses</b>	<b>\$ 388,558,124</b>	<b>\$ 163,562,765</b>	<b>\$ 245,274,656</b>	<b>\$ 177,437,192</b>
	-	-	-	-
Restricted Fund Balance - Beg. of Year	\$ 29,056,219	\$ 25,846,080	\$ 25,873,291	\$ 26,900,980
Contribution to (Use of) Fund Balance	(3,182,928)	(1,686,334)	1,027,689	7,938,601
Restricted Fund Balance - End of Year	\$ 25,873,291	\$ 24,159,746	\$ 26,900,980	\$ 34,839,581
Committed Fund Balance - Beginning of Year	\$ 17,338,409	\$ 22,121,970	\$ 22,741,657	\$ 27,101,162
Contribution to (Use of) Fund Balance	5,403,248	2,328,660	4,359,505	7,186,296
Committed Fund Balance - End of Year	\$ 22,741,657	\$ 24,450,630	\$ 27,101,162	\$ 34,287,458

## **Finance Division – Other Funds**

# Internal Service and Special Revenue Funds

Fund Name	Description	FY16 Adopted Expenditures	FY17 Proposed Expenditures	Comments (All Funds are Budget Neutral) Revenues for these funds are from specific sources and will equal or exceed budgeted expenditures
<b>Special Revenue Funds</b>				
<b>Fund 223 Hotel/Motel Occupancy Tax</b> Total Expenditures (Includes Transfers)	Taxes from Hotel / Motel	\$5,554,530	\$12,362,589	Hotel/Motel Tax revenue goes to Memphis Shelby County Sports Authority, the Debt Fund and Convention & Visitors Bureau. The additional funding/revenue come from 1.8% occupancy increase and two dollar a night assessment fee.
<b>Fund 225 New Memphis Arena</b> Total Expenditures (Includes Transfers)	Building and maintenance of multi-purpose sports facilities.	\$4,554,530	\$9,842,094	New Memphis Arena revenue covers payment to Shelby County Sports Authority and the Debt Fund.
<b>Fund 228 CRA Program Fund</b> Total Expenditures (Includes Transfers)	Collaborative effort between City and County to fund various redevelopment projects	\$2,739,130	\$2,739,215	The revenue covers the project costs of various redevelopment projects
<b>Fund 661 Metro Alarm</b> Total Expenditures (Includes Transfers)	To maintain Fire and Security alarm responses.	\$439,037	\$466,578	Expense Budget increase represents an increase in Professional Services paid to Shelby County Sheriff's Office for services rendered.
<b>Internal Service Fund</b>				
<b>Fund 731 Unemployment Compensation</b> Total Expenditures (Includes Transfers)	Self Insurance for Unemployment Benefits	\$1,408,131	\$497,200	Unemployment claims have been trending down